



# House of Representatives

## File No. 876

General Assembly

January Session, 2007

(Reprint of File No. 707)

Substitute House Bill No. 7240  
As Amended by House Amendment  
Schedule "A"

Approved by the Legislative Commissioner  
May 24, 2007

**AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE  
LEGISLATIVE PROGRAM REVIEW AND INVESTIGATIONS  
COMMITTEE CONCERNING THE STATE'S WELFARE REFORM  
INITIATIVE.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 17b-112 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective July*  
3 *1, 2007*):

4 (a) The Department of Social Services shall administer a temporary  
5 family assistance program under which cash assistance shall be  
6 provided to eligible families in accordance with the temporary  
7 assistance for needy families program, established pursuant to the  
8 Personal Responsibility and Work Opportunity Reconciliation Act of  
9 1996. The Commissioner of Social Services may operate portions of the  
10 temporary family assistance program as a solely state-funded  
11 program, separate from the federal temporary assistance for needy  
12 families program, if the commissioner determines that doing so  
13 will enable the state to avoid fiscal penalties under the temporary

14 assistance for needy families program. Families receiving assistance  
15 under the solely state-funded portion of the temporary family  
16 assistance program shall be subject to the same conditions of eligibility  
17 as those receiving assistance under the federal temporary assistance for  
18 needy families program. Under the temporary family assistance  
19 program, benefits shall be provided to a family for not longer than  
20 twenty-one months, except as provided in subsections (b) and (c) of  
21 this section. For the purpose of calculating said twenty-one-month  
22 time limit, months of assistance received on and after January 1, 1996,  
23 pursuant to time limits under the aid to families with dependent  
24 children program, shall be included. For purposes of this section,  
25 "family" means one or more individuals who apply for or receive  
26 assistance together under the temporary family assistance program. If  
27 the commissioner determines that federal law allows individuals not  
28 otherwise in an eligible covered group for the temporary family  
29 assistance program to become covered, such family may also, at the  
30 discretion of the commissioner, be composed of (1) a pregnant woman,  
31 or (2) a parent, both parents or other caretaker relative and at least one  
32 child who is under the age of eighteen, or who is under the age of  
33 nineteen and a full-time student in a secondary school or its  
34 equivalent. A caretaker relative shall be related to the child or children  
35 by blood, marriage or adoption or shall be the legal guardian of such a  
36 child or pursuing legal proceedings necessary to achieve guardianship.  
37 If the commissioner elects to allow state eligibility consistent with any  
38 change in federal law, the commissioner may administratively transfer  
39 any qualifying family cases under the cash assistance portion of the  
40 state-administered general assistance program to the temporary family  
41 assistance program without regard to usual eligibility and enrollment  
42 procedures. If such families become an ineligible coverage group  
43 under the federal law, the commissioner shall administratively transfer  
44 such families back to the cash assistance portion of the state-  
45 administered general assistance program without regard to usual  
46 eligibility and enrollment procedures to the degree that such families  
47 are eligible for the state program.

48       Sec. 2. Section 17b-112e of the general statutes is repealed and the  
49       following is substituted in lieu thereof (*Effective July 1, 2007*):

50       (a) The Department of Social Services shall provide safety net  
51       services for certain families [no longer receiving benefits or] identified  
52       as having significant barriers to employment and families who are at  
53       risk of losing benefits under the temporary family assistance program  
54       or no longer receiving program benefits. Such families shall include  
55       those: (1) Identified as having significant barriers to employment  
56       during the initial assessment by the department's eligibility worker or  
57       during the first twelve months of employment services by an  
58       employment services case manager; (2) who have made a good faith  
59       effort to seek and maintain employment but have not been able to do  
60       so or who are at risk of failing to complete the employment services  
61       program; (3) who have exhausted their eligibility for temporary family  
62       assistance program benefits; and (4) who are not eligible for six-month  
63       extensions of temporary family assistance benefits due to: [(1)] (A) The  
64       receipt of two sanctions from the department during the first twenty  
65       months of the twenty-one-month time limit of said temporary family  
66       assistance program; or [(2)] (B) the determination by the department  
67       that such a family has not made a good-faith effort to seek and  
68       maintain employment.

69       (b) Said safety net shall consist of services provided through the  
70       existing community service delivery network with additional  
71       resources provided by the Department of Social Services. Services shall  
72       be provided in-kind or through vendor or voucher payment. Services  
73       may include the following: (1) Food, shelter, clothing and employment  
74       assistance; (2) eviction prevention; (3) an in-depth family needs  
75       assessment; (4) intensive case management that includes visits to the  
76       family's home; [(4)] (5) continuous monitoring for child abuse or  
77       neglect; and [(5)] (6) for families at risk of losing benefits under the  
78       temporary family assistance program, individual performance  
79       contracts [that shall be] administered by the Labor Department [and]  
80       that require job training, job searching, volunteer work, participation  
81       in parenting programs or counseling or any other requirements

82 deemed necessary by the Labor Commissioner.

83 (c) Families successfully meeting the program requirements  
84 established by the individual performance contracts in subdivision  
85 [(5)] (6) of subsection (b) of this section prior to the end of the twenty-  
86 one-month time limit shall be considered to have made a good faith  
87 effort to comply with the requirements of the program for the  
88 purposes of qualifying for a six-month extension, provided they have  
89 made a good faith effort to comply with the individual performance  
90 contract or have not incurred a sanction subsequent to completing the  
91 individual performance contract.

92 (d) The Commissioner of Social Services shall implement policies  
93 and procedures necessary for the purposes of this section while in the  
94 process of adopting such policies and procedures in regulation form,  
95 provided the commissioner prints notice of intention to adopt the  
96 regulations in the Connecticut Law Journal within twenty days of  
97 implementing such policies and procedures. Policies and procedures  
98 implemented pursuant to this subsection shall be valid until the time  
99 final regulations are effective.

100 Sec. 3. Section 17b-698 of the general statutes is repealed and the  
101 following is substituted in lieu thereof (*Effective July 1, 2007*):

102 The [Commissioner of Social Services] Labor Commissioner shall  
103 collect data from each job training and placement service funded by  
104 the [Department of Social Services] Labor Department and serving  
105 recipients of the temporary family assistance program for the purpose  
106 of assessing the success of job placement services in assisting a  
107 recipient of either such program to attain self-sufficiency. Data  
108 collected shall include, but not be limited to: (1) The number of clients  
109 served; (2) the number of clients placed in jobs; (3) types of job training  
110 received by recipients and if such training led to employment; (4) cost-  
111 effectiveness of job training; (5) types of jobs obtained by recipients; (6)  
112 salary and benefits of those jobs obtained; and (7) length of those jobs  
113 obtained.

114 Sec. 4. Subsection (a) of section 31-254 of the general statutes is  
115 repealed and the following is substituted in lieu thereof (*Effective July*  
116 *1, 2007*):

117 (a) Each employer, whether or not otherwise subject to this chapter,  
118 shall keep accurate records of employment as defined in subsection (a)  
119 of section 31-222, containing such information as the administrator  
120 may by regulation prescribe in order to effectuate the purposes of this  
121 chapter. Such records shall be open to, and available for, inspection  
122 and copying by the administrator or his authorized representatives at  
123 any reasonable time and as often as may be necessary. The  
124 administrator may require from any employer, whether or not  
125 otherwise subject to this chapter, any sworn or unsworn reports with  
126 respect to persons employed by him which are necessary for the  
127 effective administration of this chapter. [Information thus] Except as  
128 provided in subsection (g) of this section, information obtained shall  
129 not be published or be open to public inspection, other than to public  
130 employees in the performance of their public duties, in any manner  
131 revealing the employee's or the employer's identity, but any claimant  
132 at a hearing before a commissioner shall be supplied with information  
133 from such records to the extent necessary for the proper presentation  
134 of his claim. Any employee of the administrator, or any other public  
135 employee, who violates any provision of this section shall be fined not  
136 more than two hundred dollars or imprisoned not more than six  
137 months or both and shall be dismissed from the service. Reports or  
138 records which have been required by the administrator and which  
139 have been used in computing benefit rights of claimants or in the  
140 determination of the amounts and rates of contributions shall be  
141 preserved by the administrator for a period of at least four years.  
142 Those records or reports required by the administrator which have not  
143 been used for the purpose of computing benefit rights or in the  
144 determination of the amounts or rates of contributions shall be  
145 preserved by the administrator for at least two and one-half years.  
146 Such records or reports may, after preservation for the minimum  
147 period required by this section, be destroyed by the administrator in

148 his discretion, notwithstanding the provisions of section 11-8a.  
149 Notwithstanding any of the disclosure provisions of this chapter, the  
150 administrator shall provide upon request of the public agency  
151 administering the TANF and child support programs, any information  
152 in his possession relating to individuals: (1) Who are receiving, have  
153 received, or have applied for unemployment insurance; (2) the amount  
154 of benefits being received; (3) the current home address of such  
155 individuals; [.] and (4) whether any offer of work has been refused  
156 and, if so, a description of the job and the terms, conditions, and rate of  
157 pay therefor. Notwithstanding any of the disclosure provisions of this  
158 chapter, the administrator shall provide, upon request of the  
159 Connecticut Student Loan Foundation, its officers or employees, any  
160 information in his possession relating to the current residence address  
161 or place of employment of any individual who has been determined by  
162 the Connecticut Student Loan Foundation to be in default on his  
163 student loan. Reimbursement for the cost of furnishing this  
164 information shall be made by the agency requesting the data in a  
165 manner prescribed by the administrator of this chapter.

166 Sec. 5. Section 31-254 of the general statutes is amended by adding  
167 subsection (g) as follows (*Effective July 1, 2007*):

168 (NEW) (g) (1) Notwithstanding any of the information disclosure  
169 provisions of this section, the administrator shall disclose information  
170 obtained pursuant to subsection (a) of this section to a regional  
171 workforce development board, established pursuant to section 31-3k,  
172 to the extent necessary for the effective administration of the federal  
173 Trade Adjustment Assistance Program of the Trade Act of 1974, as  
174 amended from time to time, the federal Workforce Investment Act, as  
175 amended from time to time, and the state employment services  
176 program established pursuant to section 17b-688c for recipients of  
177 temporary family assistance, provided a regional workforce  
178 development board, enters into a written agreement with the  
179 administrator, pursuant to subdivision (2) of this subsection,  
180 concerning protection of the confidentiality of such information prior  
181 to the receipt of any such information.

182       (2) The written agreement shall contain safeguards as are necessary  
183       to protect the confidentiality of the information being disclosed,  
184       including, but not limited to a:

185       (A) Statement from the regional workforce development board of  
186       the purposes for the requested information and the specific use  
187       intended for the information;

188       (B) Statement from the regional workforce development board that  
189       the disclosed information shall only be used for such purposes as are  
190       permitted by this subsection and consistent with the written  
191       agreement;

192       (C) Requirement that the regional workforce development board  
193       store the disclosed information in a location that is physically secure  
194       from access by unauthorized persons;

195       (D) Requirement that the regional workforce development board  
196       store and process the disclosed information maintained in an electronic  
197       format in such a way that ensures that unauthorized persons cannot  
198       obtain the information by any means;

199       (E) Requirement that the regional workforce development board  
200       establish safeguards to ensure that only authorized persons, including  
201       any authorized agent of the board, are permitted access to disclosed  
202       information stored in computer systems;

203       (F) Requirement that the regional workforce development board  
204       enter into a written agreement, that has been approved by the  
205       administrator, with any authorized agent of the board, which  
206       agreement shall contain the requisite safeguards contained in the  
207       written agreement between the board and the administrator;

208       (G) Requirement that the regional workforce development board  
209       instruct all persons having access to the disclosed information about  
210       the sanctions specified in this section, and further require each  
211       employee of such board, and any agent of such board, authorized to

212 review such information, to sign an acknowledgment that he or she  
213 has been advised of such sanctions;

214 (H) Statement that redisclosure of confidential information is  
215 prohibited, except with the written approval of the administrator;

216 (I) Requirement that the regional workforce development board  
217 dispose of information disclosed or obtained under this subsection,  
218 including any copies of such information made by the board, after the  
219 purpose for which the information is disclosed has been served, either  
220 by returning the information to the administrator, or by verifying to  
221 the administrator that the information has been destroyed;

222 (J) Statement that the regional workforce development board shall  
223 permit representatives of the administrator to conduct periodic audits,  
224 including on-site inspections, for the purpose of reviewing such  
225 board's adherence to the confidentiality and security provisions of the  
226 written agreement; and

227 (K) Statement that the regional workforce development board shall  
228 reimburse the administrator for all costs incurred by the administrator  
229 in making the requested information available and in conducting  
230 periodic audits of the board's procedures in safeguarding the  
231 information.

232 (3) Any employee or agent of a regional workforce development  
233 board who discloses any confidential information in violation of this  
234 section and the written agreement, entered into pursuant to  
235 subdivision (2) of this subsection, shall be fined not more than two  
236 hundred dollars or imprisoned not more than six months, or both, and  
237 shall be prohibited from any further access to confidential information.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2007	17b-112(a)
Sec. 2	July 1, 2007	17b-112e
Sec. 3	July 1, 2007	17b-698



Sec. 4	<i>July 1, 2007</i>	31-254(a)
Sec. 5	<i>July 1, 2007</i>	31-254

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

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**OFA Fiscal Note****State Impact:**

Agency Affected	Fund-Effect
Various State Agencies	GF - See Below

**Municipal Impact:** None

**Explanation**

This bill allows the Department of Social Services (DSS) to operate portions of the Temporary Family Assistance (TFA) program as a fully state funded program if necessary to avoid federal fiscal penalties. Although the state would lose eligibility for federal reimbursement for these portions, this action may help the state avoid larger federal penalties concerning work participation. Therefore, this change will help lessen or eliminate future federal revenue loss.

The bill also extends eligibility for the DSS safety net program and changes services available. As this program is not operated on an entitlement basis, any additional demand generated by this change will not require additional expenditures.

The bill also makes several changes concerning the Department of Labor that conform statute to current practice. There is no associated fiscal impact.

The bill also establishes confidentiality provisions for the disclosure of information to a regional workforce development board. The agreement requires the board to reimburse the administrator (Labor Commissioner) for all costs incurred in making the requested information available and in conducting periodic audits. The reimbursements would come from a range of workforce development

board funds, including those distributed by the Department of Labor such as funding for Workforce Investment Act administration, Temporary Assistance for Needy Families, as well as other private resources, and would not require additional funding.

The bill also imposes a fine of up to \$200 or imprisonment for up to six months on any person who violates the provisions of the bill. Any revenue from criminal fines imposed under the bill or marginal cost for incarceration and/or probation supervision in the community as a result of the bill would be minimal.

House "A" implemented the confidentiality provisions and established the fine noted above.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

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**OLR Bill Analysis****sHB 7240 (as amended by House "A")\******AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE  
LEGISLATIVE PROGRAM REVIEW AND INVESTIGATIONS  
COMMITTEE CONCERNING THE STATE'S WELFARE REFORM  
INITIATIVE.*****SUMMARY:**

This bill makes changes in the state's welfare-to-work program. It allows the Department of Social Services (DSS) commissioner to run parts of the cash welfare program, Temporary Family Assistance (TFA), using state funds only to help the state avoid federal work participation rate-related penalties.

The bill expands the Safety Net program to include families who have complied with the Jobs First program rules.

The bill makes certain Department of Labor (DOL) records available for review by the state's regional workforce investment boards provided the records' confidentiality is protected.

Finally, the bill conforms law to practice by requiring the labor commissioner, instead of the DSS commissioner, to collect data from the job training and placement services it funds. Generally, under the Jobs First program, DSS determines eligibility for and grants TFA assistance, while the labor department develops and implements, including providing funding for, the program's work component.

\*House Amendment "A" expands the confidentiality provisions to include other workforce investment board-administered programs, requires the boards to enter into agreements with the unemployment compensation administrator regarding the information, and

establishes the safeguards that must be included in these agreements.

EFFECTIVE DATE: July 1, 2007

## **WELFARE TO WORK**

### ***TFA—Federal versus State Funding***

The bill permits the DSS commissioner to operate portions of the TFA program as a solely state-funded program, separate from the federal TANF program, if she determines that doing so will enable the state to avoid fiscal penalties. But it provides that families receiving state-funded TFA are subject to the same eligibility conditions as those receiving TANF-funded assistance (presumably cash assistance).

### ***Safety Net Services***

The bill requires DSS to offer safety net services to additional families identified as having significant barriers to employment. These include families who:

1. a DSS caseworker identifies as having significant employment barriers during its initial assessment, or that an employment services case manager from the Labor Department identifies during the first 12 months of employment services;
2. have made good faith efforts to find and keep jobs but have been unable to do so or are at risk of failing to complete the employment services program; or
3. have exhausted their TFA eligibility (presumably this means they have received benefits for at least 21 months, or more if they qualified for extensions).

Under current laws, safety net services are available only to families who are at risk of losing TFA benefits because they are ineligible for a six-month TFA extension, either because they have received two noncompliance sanctions or have not made a good faith effort to find and keep a job. These families continue to qualify for safety net

services under the bill.

The bill also adds an in-depth family needs assessment to the list of potential safety net services a family could receive. And it specifies that case management services, already a service option in current law, must include home visits. By law, these services can include food, shelter, clothing, and employment assistance.

### ***Release of Certain Unemployment Compensation Records***

By law, employers must keep accurate employment records. These records, which contain information that the unemployment compensation administrator prescribes, must be open to inspection by the administrator. In general, the administrator cannot publish the information or open it to public inspection if it will reveal the employee's or employer's identity.

The bill allows disclosure with the identifying information to a regional workforce development board (in practice called regional workforce investment board) to the extent that it is necessary for the effective administration of the federal Trade Adjustment Assistance Program of the Trade Act of 1974, the federal Workforce Investment Act, and the Jobs First Employment Services program.

Before it may receive the information, the board must enter into written agreements with the administrator concerning the confidentiality of the information. The agreement must contain safeguards that are needed to protect the information's confidentiality. The safeguards must include no less than:

1. a statement from the board of the purposes and specific use of the information along with a statement that it will only be used for these purposes;
2. a requirement that the board store the information in a location that is physically secure from unauthorized access and, when the information is maintained electronically, in a way that prevents

this access;

3. a requirement that the board establish safeguards to ensure that only authorized individuals, including agents of the board, have access to information stored in computers;
4. a requirement that the board also enter into written agreements with their authorized agents containing the “requisite” safeguards contained in the agreement between the board and the administrator;
5. a requirement that the board instruct all people with access to the information about the sanctions (presumably the penalties in law) and require each board employee and agent authorized to “review” the disclosed information to acknowledge in writing that they have been advised of the sanctions;
6. a statement that re-disclosure of the information is prohibited unless the administrator gives his or her written approval;
7. a requirement that the board dispose of the information, including copies the board makes, after it has served its purpose either by returning it to the administrator or verifying to him or her that the board has destroyed it;
8. a statement that the board must permit the administrator’s representatives to conduct periodic audits, including on-site inspections, to review the board’s adherence to these provisions; and
9. a statement that the board must reimburse the administrator for costs the administrator incurs in making the information available and conducting the audits.

Under the bill, board employees or agents violating these provisions are fined up to \$200, imprisoned for up to six months, or both. And they are banned from any further access to confidential information.

Current law allows the administrator to make these disclosures to public employees in the performance of their duties and subjects violators to identical penalties.

## **BACKGROUND**

### ***TANF and Jobs First***

The 1996 federal TANF legislation changed the nation's welfare-to-work program from an entitlement to a block grant. Connecticut receives a set amount each year and is expected to spend the funds on the purposes the federal law enumerates. All states must meet federally prescribed work participation rates (50% of adults in single-parent families must work at least 30 hours per week) or face financial penalties (reduction in block grant).

Connecticut's main TANF-funded program, Jobs First, consists of two parts: TFA, which is cash assistance for families, and Jobs First Employment Services. DSS administers TFA and performs an initial employability assessment, while the labor department helps clients develop and carry out employment plans.

To qualify for TFA, a family's income can be no higher than the TFA need standard, plus \$90. For a family of three living in most parts of the state, this is \$835 per month (\$745 plus \$90). Once eligible for assistance, income can go no higher than 100% of the federal poverty level (\$1,430 per month for this family in 2007). The monthly benefit for this family is \$543 and benefits are limited to 21 months, unless the family requests and qualifies for an extension.

Families receiving TFA must participate in work-related activities unless they are exempt from doing so. Exempt families include those in which the caretaker relative is incapacitated. TFA recipients who can work are referred to the labor department's Jobs First Employment Services program.

### ***Deficit Reduction Act and TANF Changes***

The federal Deficit Reduction Act of 2005 re-authorized TANF and



included provisions requiring states to place more of their cash welfare caseload in jobs.

Specifically, it moved up the base year for the caseload reduction credit (states that reduce their cash welfare caseload can make a corresponding reduction in the number of families who must be engaged in work activities), essentially eliminating the credit in Connecticut, where caseloads have remained fairly steady.

It also required states that had created separate state programs to help families, using state funds only, to include these families in the work participation rate calculation, if the state claimed these expenditures towards their maintenance of effort (MOE) requirement. (The TANF law requires states to spend a minimum of state funds to show that TANF funding does not supplant previous state funding.).

States can provide assistance to families who would otherwise qualify for TANF-funded cash assistance using state funds, provided they do not claim them as MOE.

### ***Workforce Investment Boards (WIB) and Jobs First***

The state's five WIBs are an integral part of the welfare-to-work system. The labor department provides funding to the boards, which in turn pay subcontractors to provide work-related services to TFA recipients.

### ***Federal Trade Adjustment Assistance (TAA)***

This program provides various forms of employment assistance to individuals who lost their jobs, or experienced a loss of work hours, due to increased foreign imports or production shifts to certain countries. For example, a layoff at a factory can be designated TAA eligible, which allows the individuals who lost their jobs to apply individually for assistance with retraining, education, and job-search activities.

### ***Workforce Investment Act***

The federal Workforce Investment Act (WIA) establishes a

framework for states to coordinate roughly 60 federal job training and welfare-to-work programs. These programs each have unique rules and have traditionally been administered by different state agencies

The act requires each state to establish a state workforce investment board to develop overall job training policy and help designate local workforce boards to design and oversee service delivery.

### **COMMITTEE ACTION**

#### Program Review and Investigations Committee

Joint Favorable Substitute Change of Reference

Yea 12 Nay 0 (03/09/2007)

#### Human Services Committee

Joint Favorable Change of Reference

Yea 17 Nay 0 (03/20/2007)

#### Appropriations Committee

Joint Favorable Substitute

Yea 47 Nay 0 (04/17/2007)

#### Labor and Public Employees Committee

Joint Favorable

Yea 8 Nay 0 (05/14/2007)